

AMENDED IN SENATE APRIL 8, 2010

AMENDED IN SENATE MARCH 25, 2010

**SENATE BILL**

**No. 1241**

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**Introduced by Senator Wolk**  
**(Coauthor: Senator Hancock)**

February 19, 2010

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An act to add Part 8 (commencing with Section 38600) to Division 25.5 of the Health and Safety Code, relating to greenhouse gas emissions.

LEGISLATIVE COUNSEL'S DIGEST

SB 1241, as amended, Wolk. Greenhouse gas emissions reduction: agriculture: grant program.

Existing law sets forth various powers and duties of the Secretary of Food and Agriculture and the Department of Food and Agriculture. Existing law, the Cannella Environmental Farming Act of 1995, requires the department to establish and oversee an environmental farming program to provide incentives to farmers whose practices promote the well-being of ecosystems, air quality, and wildlife and their habitat, and requires the secretary to convene a Scientific Advisory Panel on Environmental Farming for the purpose of providing advice and assistance to federal, state, and local government agencies on issues relating to air, water, and wildlife habitat.

This bill would require the secretary to administer an unspecified percentage of certain funds, which are subject to appropriation by the Legislature, in consultation with the California Agricultural Climate Benefits Advisory Committee, which the bill would require the secretary to establish, as specified, to be used for costs of administration or grants, as provided, to reduce greenhouse gas emissions in the state's

agricultural sector. ~~Members of the advisory committee would be required to recuse themselves under certain circumstances, and the failure to do so would be a misdemeanor. By creating a crime, this bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) The Legislature finds and declares all of the  
2 following:

3 (1) California agriculture is a \$37 billion per year industry, one  
4 of the state's largest and most significant industries. California  
5 agriculture supplies 90 percent of the nation's almonds, apricots,  
6 raisins, olives, pistachios, walnuts, and wine grapes, and more than  
7 one-half of the country's fruit and vegetables.

8 (2) Dependent on land and natural resources, California  
9 agriculture is uniquely vulnerable to global warming. Global  
10 warming poses a serious threat to California agriculture with rising  
11 temperatures, increases in extreme weather events, reduced winter  
12 chilling hours, drier conditions, and rising sea levels.

13 (3) California agriculture is also uniquely positioned to provide  
14 climate benefits by reducing greenhouse gas emissions. Research  
15 funded by the California Energy Commission's Public Interest  
16 Energy Research (PIER) program suggests that some agricultural  
17 practices will not only reduce greenhouse gas emissions, but they  
18 may also help to sequester atmospheric carbon in the soil.  
19 Atmospheric carbon sequestration is an important strategy to help  
20 meet the state's greenhouse gas emissions targets.

21 (4) Steps taken by California agriculture to reduce greenhouse  
22 gas emissions and sequester atmospheric carbon can provide other  
23 important environmental cobenefits, such as improved air and  
24 water quality, water conservation, and enhanced wildlife habitat.

25 (b) It is therefore the intent of the Legislature to enhance the  
26 long-term viability of California agriculture by supporting activities

1 that reduce global warming impacts that may negatively impact it  
2 and the rest of the state.

3 (c) It is further the intent of the Legislature that the Department  
4 of Food and Agriculture, pursuant to this act, support California  
5 agriculture in pursuing voluntary reductions in greenhouse gas  
6 emissions and atmospheric carbon sequestration.

7 SEC. 2. Part 8 (commencing with Section 38600) is added to  
8 Division 25.5 of the Health and Safety Code, to read:

9  
10 PART 8. GREENHOUSE GAS EMISSIONS REDUCTION  
11

12 38600. The purpose of this part is to ensure that California  
13 maximizes its opportunities to achieve voluntary greenhouse gas  
14 emission reductions in the state's agricultural sector while also  
15 achieving environmental cobenefits.

16 38601. For the purposes of this part, the following terms have  
17 the following meanings:

18 (a) "Advisory committee" means the California Agricultural  
19 Climate Benefits Advisory Committee created pursuant to Section  
20 38604.

21 (b) "Environmental cobenefits" means benefits or improvements  
22 to the environment, including, but not limited to, water  
23 conservation, improved air or water quality, increased soil organic  
24 matter and enhanced wildlife habitat, that occur as a result of  
25 reduced greenhouse gas emissions or sequestration of atmospheric  
26 carbon through agricultural technologies, practices, or farming  
27 systems.

28 ~~(c) "Farmproduct" has the same meaning as in Section 55403~~  
29 ~~of the Food and Agricultural Code: carbon.~~

30 ~~(d) "Processor" has the same meaning as in Section 55407 of~~

31 ~~(c) "Processor" means the persons, places, and establishments~~  
32 ~~described in Sections 20019, 32513, and 55407 of the Food and~~  
33 ~~Agricultural Code.~~

34 ~~(e) "Producer" has the same meaning as in Section 55408 of~~

35 ~~(d) "Producer" means the persons described in Sections 55408~~  
36 ~~and 64507 of the Food and Agricultural Code.~~

37 ~~(f)~~

38 (e) "Secretary" means the Secretary of Food and Agriculture.

39 38602. Notwithstanding any other law, not less than \_\_\_\_  
40 percent of funds generated pursuant to either of the following shall

1 be made available, upon appropriation by the Legislature, to fund  
2 activities consistent with this part that will reduce greenhouse gas  
3 emissions in the state's agricultural sector:

4 (a) Revenues generated pursuant to compliance mechanisms  
5 adopted by the State Air Resources Board and paid by the sources  
6 of greenhouse gas emissions regulated pursuant to this division.

7 (b) Funds from federal climate change programs that are  
8 dedicated to or otherwise accrue to the state for climate change  
9 projects and programs that are consistent with the purposes of this  
10 part.

11 38603. Funds made available pursuant to Section 38602 shall  
12 be administered by the secretary, in consultation with the advisory  
13 committee established pursuant to Section 38604, and may be used  
14 for either of the following:

15 (a) The cost of administering this part.

16 (b) Grants for any of the following:

17 (1) Research and demonstration projects that reduce greenhouse  
18 gas emissions or sequester atmospheric carbon through agricultural  
19 technologies, practices, or farming systems and provide  
20 environmental cobenefits. Eligible recipients may include  
21 California producers, California institutions of higher education,  
22 state or local agencies, and nonprofit organizations.

23 (2) Technical assistance, which shall include, but not be limited  
24 to, development of outreach and training programs to assist  
25 agricultural producers in adopting agricultural technologies,  
26 practices, or farming systems that reduce greenhouse gas emissions  
27 or sequester atmospheric carbon and provide environmental  
28 cobenefits. Eligible recipients may include California institutions  
29 of higher education, state or local agencies, and nonprofit  
30 organizations with a demonstrated capacity to deliver technical  
31 assistance to California agricultural producers.

32 (3) Financial incentives for California agricultural producers to  
33 do any of the following:

34 (A) Generate greenhouse gas emission reductions that may not  
35 be economically viable as an offset project.

36 (B) Demonstrate and test new or uncertain methods to reduce  
37 greenhouse gas emissions or sequester atmospheric carbon.

38 (C) Be an early adopter of agricultural technologies, practices,  
39 or farming systems that reduce greenhouse gas emissions or  
40 sequester atmospheric carbon.

(4) Research and demonstration projects, technical assistance and financial incentives for California processors to reduce greenhouse gas emissions from their facilities through energy efficiency, renewable energy, or processing efficiencies. In recommending and selecting projects from this category, the advisory committee and secretary shall give preference to those projects that include environmental cobenefits.

(c) Grant funds shall be divided equally across all four grant categories, as described in subdivision (b), unless the secretary determines, in consultation with the advisory committee established pursuant to Section 38604, that a different apportionment of funds would best serve the purposes of this part.

(d) Notwithstanding subdivision (c), not more than 25 percent of grant funds shall be awarded to projects for processors as described in paragraph (4) of subdivision (b).

38604. (a) Not later than July 1, 2011, the secretary shall establish the California Agricultural Climate Benefits Advisory Committee to achieve the purposes of this part. The secretary shall appoint its members as follows:

(1) Five members who are agricultural producers, including at least two certified organic producers.

(2) Three members who are researchers with an institution of higher education with expertise in agriculture and climate change.

(3) Three members from nonprofit organizations with expertise in climate change and agriculture.

(4) *One member who is a processor.*

~~(4)~~

(5) One ex officio member from each of the following public agencies:

(A) Department of Conservation.

(B) State Air Resources Board.

(C) United States Department of Agriculture, Natural Resources Conservation Service.

(D) United States Environmental Protection Agency, Region IX.

(E) *The Department of Food and Agriculture.*

(b) Each advisory committee member shall designate his or her alternate, who shall meet the same qualifications identified in subdivision (a) as the member for whom the alternate is serving.

An alternate member shall serve at an advisory committee meeting

1 only in the absence of, and shall have the same powers and duties  
2 as, the member for whom he or she is designated as an alternate,  
3 except for duties and powers as an officer of the committee. The  
4 number of alternates present who are not serving in the capacity  
5 of a member shall not be considered in determining a quorum.

6 (c) An alternate member may serve at an advisory committee  
7 subcommittee meeting only in the absence of, and shall have the  
8 same powers and duties as, the member for whom he or she is  
9 designated as an alternate, except for duties and powers as a  
10 subcommittee chairperson.

11 (d) The members and alternates of the advisory committee shall  
12 serve without compensation but shall be reimbursed for the  
13 reasonable expenses actually incurred in the performance of their  
14 duties, as determined by the advisory committee and approved by  
15 the secretary.

16 (e) The secretary shall appoint the members of the committee  
17 from nominations by interested persons and organizations with  
18 expertise in agriculture and climate change. The secretary shall  
19 make all feasible efforts to appoint members of the advisory  
20 committee who reflect a range of views from agricultural, scientific,  
21 environmental protection, and resource conservation interests that  
22 will enhance the successful implementation of this part.

23 (f) A member of the committee shall serve for a term of three  
24 years, except that the secretary shall appoint the original members  
25 of the committee for staggered terms as follows:

26 (1) One member appointed pursuant to paragraphs (1), (2), and  
27 (3) of subdivision (a) shall serve for one year.

28 (2) Two members appointed pursuant to paragraph (1), and one  
29 member appointed pursuant to paragraphs (2) and (3), of  
30 subdivision (a) shall serve for two years.

31 (3) Two members appointed pursuant to paragraph (1), and one  
32 member appointed pursuant to paragraphs (2) and (3), of  
33 subdivision (a) shall serve for three years.

34 (g) In administering grant funds pursuant to Section 38603, the  
35 secretary shall seek and consider input from the advisory committee  
36 on matters related to the purposes of this part, including, but not  
37 limited to, all of the following:

38 (1) Establishing criteria for grant proposals.

39 (2) Reviewing grant proposals.

40 (3) Recommendations regarding the approval of grant proposals.

1 (4) Recommendations regarding the implementation of this part.  
2 (h) Advisory committee members shall recuse themselves from  
3 reviewing grant proposals from any grant category in which either  
4 of the following conditions are met:

5 (1) For a member appointed pursuant to paragraph (1) ~~or (3)~~,  
6 (3), *or* (4) of subdivision (a), if a person from the same private  
7 business or nonprofit organization as the member has applied for  
8 a grant pursuant to this part and would directly benefit from the  
9 grant funding.

10 (2) For a member appointed pursuant to paragraph (2) of  
11 subdivision (a), if a person from the same department or field  
12 station as the member has applied for a grant pursuant to this part  
13 and would directly benefit from the grant funding.

14 (i) Advisory committee members shall not be required to recuse  
15 themselves from reviewing grant proposals in any grant category  
16 for which the conditions of subdivision (h) have not been met.

17 (j) The secretary shall designate department staff to provide  
18 appropriate staff services to the advisory committee.

19 38605. In establishing criteria for grant proposals and awarding  
20 grants, the advisory committee and the secretary shall do all of the  
21 following:

22 (a) Give priority to proposals for research and demonstration  
23 projects, pursuant to paragraph (1) of subdivision (b) of Section  
24 38603, that include multiple coapplicants and that include at least  
25 one agricultural producer in the development and implementation  
26 of the project.

27 (b) Consider the appropriate use of matching funds requirements  
28 for research and demonstration projects and technical assistance  
29 projects, pursuant to paragraphs (1) and (2) of subdivision (b) of  
30 Section 38603, provided that matching funds requirements not  
31 exceed 25 percent of the total award by the state.

32 ~~SEC. 3.—No reimbursement is required by this act pursuant to~~  
33 ~~Section 6 of Article XIII B of the California Constitution because~~  
34 ~~the only costs that may be incurred by a local agency or school~~  
35 ~~district will be incurred because this act creates a new crime or~~  
36 ~~infraction, eliminates a crime or infraction, or changes the penalty~~  
37 ~~for a crime or infraction, within the meaning of Section 17556 of~~  
38 ~~the Government Code, or changes the definition of a crime within~~

- 1 ~~the meaning of Section 6 of Article XIII B of the California~~
- 2 ~~Constitution.~~

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